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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

THIS LEASE AGREEMENT is made this

DELTU J-19038 a Shoote PERSON

PAID UP OIL AND GAS LEASE

(No Surface Use)

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ADDITION, AN ADDITION TO THE CITY OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS, ACCORDING TO THAT CERTAIN PLAT RECORDS IN THE PLAT RECORDS OF TARRANT COUNTY, TEXAS. In the County of Targant, State of TEXAS, containing	1. In c	consideration -	of a cash bonus	s in hand paid a						ively to Less	e the following
in the Carely of TEXTOL State of TEXAs, criticising	OUT OF T	ACRES O	OF LAND, MA	ORE OR LES		COUNTY,	13 TEXAS, ACCO	DRDING TO	N, AN ADDIT	TON TO TI LIN PLAT I	RECORDED
remercial presentation of otherwise), for the purpose of exporting for, developing, producing and extending on an exposurable of the state of the control of the state of		———— —	Characters.		11	OF T	HE PLAT REC	CORDS OF T	ARRANT CO	UNTY, TE	XAS.
as from thereafter as oil of gas or other substances covered hereby, are produced in paying quantities four the leased premises or from lands pooled therewith or this lease is inchesived an entitlated in the control of the paying the paid by Leaser as follows: (1) for sell and other fluid hydrocarbon as a few paying the paying t	reversion, pre substances p commercial g land now or l Lessor agrees	escription or co produced in a pases, as well pareafter owne s to execute a	otherwise), for the issociation there as hydrocarbon ed by Lessor what t Lessee's reque	ne purpose of exemith (including of a second in additional are contiguoses) any additional	ploring for, deve geophysical/seisr ion to the above- us or adjacent to or supplemental	loping, produci- nic operations) described leas the above-des- instruments for	ng and marketing The term "gas ed premises, this cribed leased prem a more complete	oil and gas, alor " as used hereil lease also covers nises, and, in cor or accurate descr	ng with all hydroon includes heliur s accretions and nsideration of the ription of the land ct, whether actual	carbon and n n, carbon did any smail stri aforemention so covered, lly more or les	on hydrocarbor oxide and othe ps or parcels o ned cash bonus For the purpose is.
be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record	as long theres otherwise ma 3. Roys separated at Lessor at the the wellhead prevailing production, secured the same or I more wells or are waiting or be deemed to there from is Lessor's cred while the well is being sold following cesterminate this A. All secured the same or I more wells or are waiting or be deemed to the cessor's cred while the well is being sold following cesterminate this A. All secured the cessor's didraft and such address know payment here 5. Excepremises or I pursuant to the leased the end of the operations remo cessation there is productional well and the cessor was additional well as Lessor's depths or zor proper to do so unit formed be horizontal cor completion to of the foregoing prescribed, "creworking openet acreage to Lessee. 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In or production to Lessor or to do year of the core of

- 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lesson's interest in such part of the leased premises bears to the full mineral estate in
- B. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the B. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the B. The interest of either Lessor or Lessee hereunder may be assigned, devisees, executors, administrators, successors and assigns. No change in Lessor's rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the Interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.
- 9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of a area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lesses releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced
- If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, plts, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pinelines below ordinary plow depth on cultivated lands. No welf shalf be located less than 200 feet from any house or barn now on the leased
- other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by Inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevent
- purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

 13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.
- 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes,
- mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royaltles and shut-in royalties hereunder, without interest, until
- Lessee has been furnished satisfactory evidence that such claim has been resolved.

 16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations
- 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

 DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or

different terms depending on future market conditions. Neither party to this lease will seek t which Lessee has or may negotiate with any other lessors/oil and gas owners.	o alter the terms of this transaction based upon any differing to
IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has be	
LESSOR (WHETHER ONE OR MORE)	
Bitly Koss	
By: BETHY J. THUSS	
STATE OF TEXTS	r
COUNTY OF COUNTY	2008,
	Sustan Of Propa Palk
Notary Public State of Texas	Notary Public, State of 100 Notary's name (printed): Notary's commission expires:
STATE OF COUNTY OF	
This instrument was acknowledged before me on theday ofby:	, 2008,
<i>vs</i> ,	

Notary Public, State of Notary's name (printed): Notary's commission expires:



DALE RESOURCES 2100 ROSS AVE # 1870 LB 9

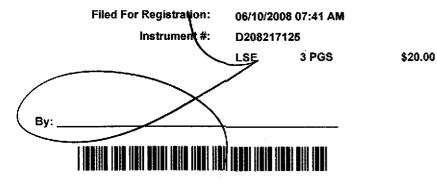
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> <u>WARNING - THIS IS PART OF THE OFFICIAL RECORD.</u>



D208217125

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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